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DEPARTMENT FOR INR/B

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [IR](#) [AG](#)

SUBJECT: IRAN OPENS FIRST-ANNUAL TRADE PAVILION IN ALGIERS

¶1. The Iranian Chamber of Commerce, Industry, and Mining (CCIMI) opened May 2 its first-annual industrial and technology show in Algiers. The show, entitled IranExpo 2006, comes on the heels of an agreement signed in January 2005 between CCIMI and the Algerian Chamber of Commerce to expand trade relations. GoA statistics indicate Iran's two-way trade with Algeria totals approximately USD 20 million per year. Iran's Ambassador to Algeria said that since the resumption of diplomatic relations between the two countries four years ago, Iran has organized five small-scale trade exhibitions and organized two other gatherings to promote commercial relations.

¶2. Algerian Minister of Higher Education Rachid Harraoubia, the president of the commission to expand Algerian-Iranian ties, joined Iranian Deputy Minister of Industry Mehdi Mofidi at the opening. Also present were the Iranian Ambassador to Algeria, Hussein Valeh, and the head of CCIMI, Ali Naqi Khamouchi. An Iranian-born Embassy contact told Econoff that many of the businesses represented at the fair were based in Khorassan Razavi Province, whose Governor General, Mohammad-Javad Mohammadizadeh, took part in the Iranian delegation.

¶3. Approximately 50 Iranian firms representing 120 operators were present at the fair. Econoff toured the pavilion May 2 and noted that approximately half of the booths promoted agribusiness. These companies ranged from small-scale manufacturers of food products (such as tomato paste and saffron) to agricultural equipment (such as tractors). A handful of cement and engineering firms were present, presumably with the aim of capturing a share of Algeria's booming construction and housing sector. Other industries represented at the fair included industrial parts, carpets, jewelry, medical supplies, glassware, and oil servicing equipment. The Iranian automobile manufacturer Saipa held a prominent spot next to the entrance to the pavilion.

¶4. Comment: Although the process to expand Algerian-Iranian trade relations has been underway for a few years, the opening of IranExpo 2006 marks a bolder effort to access the Algerian market. Sentiments at the opening of the show seemed to contrast with the official declaration by the Iranian news agency, as picked up in the Algerian press, that there was no link between Iran's recent deployment of trade delegations and the nuclear crisis. The head of the Iranian Chamber of Commerce announced at the show opening that "Iran and Algeria can constitute the base of the establishment of a common Islamic market." Another speaker noted that Algeria could serve as Iran's "bridge in the Maghreb region or even in Africa." It is an intriguing question whether Iran views enhanced Algerian -- or more broadly African -- trade as a hedge against possible economic sanctions it may incur as a result of its nuclear ambitions. End comment.

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